



October 31, 2022

Revised December 7, 2022

Department of the Army  
Los Angeles District, U.S. Army Corps of Engineers  
Attn: Shannon Pankratz  
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**RE: PETERSEN RANCH MITIGATION BANK AREA A 4TH CREDIT RELEASE [USACE  
FILE NO: SPL-2012-00669-BEM, CDFW TRACKING NO: 1798- 2013-04-R5]**

Dear Interagency Review Team:

With this letter Land Veritas (Bank Sponsor) formally requests a partial fourth credit release for Area A of the Petersen Ranch Mitigation Bank (Bank).

Sections VII.A.1.d, VII.C.1.d, and VII.D.2.a(4) of the Bank Enabling Instrument (BEI) state that the fourth credit release (up to an additional 15% of the total anticipated credits) shall occur when:

- i. *The Bank Sponsor has submitted the Fourth Year Monitoring Report as required by the Development Plan;*
- ii. *Year 4 Performance Standards have been attained;*
- iii. *The Bank Sponsor funds a minimum of 70% of the Endowment Amount per Section VI.E.2c;*
- iv. *Release 3 has occurred; and*
- v. *IRT Site Visit*

Item (i) was completed on November 15, 2021, with the submission of the 2021 Annual Monitoring Report to the Interagency Review Team (IRT), which covers the Fourth Year of performance monitoring for Area A.

# Ex. 4 CBI



## Ex. 4 CBI

Item (iii) was completed on October 28, 2022. Per Exhibit D-2 of the BEI, the total Endowment Fund will include a long-term management account and an easement compliance account. The easement compliance account was fully funded prior to bank establishment. On October 28, 2022, Land Veritas deposited \$ **Ex. 4 CBI** into the Long-Term Management Endowment Fund Account managed by the Southwest Resource Management Association (Table 7). Upon deposit, 70% of the total inflation adjusted long-term management amount for Area A was funded. A receipt for the deposit amount is included as Attachment C.

Item (iv) was completed between April and June 2021. On April 22, 2021, June 16, 2021, and June 23, 2021, the California Department of Fish and Wildlife (CDFW), United States Army Corps of Engineers (USACE), and the Lahontan Regional Water Quality Control Board (RWQCB), respectively, approved the third credit release for Area A of the Bank.

Item (v), Land Veritas hosted a site visit for members of the Interagency Review Team on April 19, 2022.

The Bank's credit ledgers are attached to this letter for your review (Attachment D). Detailed credit release accounting in the ledger is submitted as Attachment E.

Finally, the Bank Sponsor is prepared to pay the proportionally appropriate amount of the CDFW Implementation Fee in full to CDFW following the procedures described in Sections VII.C.5 and VII.D.2(b) of the BEI. The amount to be funded will be equal to 15% of the total Implementation Fee. To date we have paid \$33,826.52, or 55% of the total Implementation Fee. The additional 15% Implementation Fee payment in the amount of \$9,225.41 will be paid no later than by the submittal of the 2022 Annual Monitoring Report, or November 15, 2022.

Based on the successful attainment of these release criteria, the Bank Sponsor requests that the IRT release all eligible credits associated with the Area A fourth credit release as summarized in Tables 1 – 6.

Sincerely,

H. Tracey Brownfield, President  
Land Veritas Corp

CC:  
Melissa Scianni, EPA Region IX  
Lisa Gymer, CDFW Region 5  
Tiffany Steinert, Lahontan Regional Water Quality Control Board

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Table 7. Endowment funding status, Area A

| Endowment Fund Financial Accounting                                 |              | Easement Compliance Endowment | Long-Term Management Endowment | Total Area A Endowments |
|---|--------------|-------------------------------|--------------------------------|-------------------------|
| SCE Endowment Amount (Funded 12/30/2014)                            |              | Ex. 4 CBI                     |                                |                         |
| Original Area A Amount Required <sup>1</sup>                        |              |                               |                                |                         |
| 2021 CPI Adjusted Area A Amount (16.5%) <sup>2</sup>                |              |                               |                                |                         |
| Total Adjusted Area A Endowment Amount <sup>3</sup>                 |              |                               |                                |                         |
| Initial Deposit <sup>4</sup>  | Amount       |                               |                                |                         |
|   | Deposit Date |                               |                                |                         |
| Deposit #1  | Amount       |                               |                                |                         |
|   | Deposit Date |                               |                                |                         |
| Deposit #2  | Amount       |                               |                                |                         |
|   | Deposit Date |                               |                                |                         |
| Deposit #3  | Amount       |                               |                                |                         |
|   | Deposit Date |                               |                                |                         |
| Deposit #4  | Amount       |                               |                                |                         |
|   | Deposit Date |                               |                                |                         |
| Total Bank Sponsor Deposits   |              |                               |                                |                         |
| Percent 2021 CPI Adjusted Area A Amount Funded <sup>5</sup>         |              |                               |                                |                         |
| TOTAL FUNDED AMOUNT <sup>6</sup>                                    |              |                               |                                |                         |
| Net Amount of Investment Earnings, Gains, and Losses <sup>7,8</sup> |              |                               |                                |                         |
| Expenditures <sup>8</sup>   |              |                               |                                |                         |
| CURRENT BALANCE <sup>8</sup>  |              |                               |                                |                         |

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**Commented [MTV1]:** Value updated to be consistent with the most recent version of the Annual Endowment Adjustment Report, submitted to the IRT via email on March 29, 2022

All totals were updated as well to reflect the change in this value

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**Commented [MTV2]:** Updated to reflect updated 2021 CPI Adjusted Area A Amount value

**Commented [MTV3]:** Updated to reflect updated total given updated 2021 CPI Adjusted Area A Amount value

<sup>1</sup> Amount agreed upon in the BEI, executed on 5/11/2016.

<sup>2</sup> Endowment amounts are adjusted annually using Consumer Price Index (CPI) data from the CA Department of Industrial Relations, Division of Labor Statistics and Research. Adjustments are made by April 1<sup>st</sup> until the Endowment Fund is fully funded. Starting in 2020 following approval of the IRT, annual adjustments will be made comparing the annual average of 2016 to the annual average of the full year preceding the year of reporting.

<sup>3</sup> Equal to the SCE Endowment Amount and Adjusted Area A Amount

<sup>4</sup> Initial deposits were made by SCE to cover their portion of the endowment funding requirements (BEI Exhibit D-2).

<sup>5</sup> The percent of Bank Sponsor Deposits applied to the Adjusted Area A Amount.

<sup>6</sup> Equal to the sum of all deposits made and the SCE endowment fund amount.

<sup>7</sup> Including realized and unrealized earnings.





<sup>8</sup> Financial reporting provided by SRMA for FY2021 through June 30, 2021 and does not include Deposit #3 amount.



Attachment A

Area A – Year 4 (2021) Performance Monitoring Results by Credit Type



Attachment B

Detailed Accounting of Credits Not Requested for Release



Attachment C

Area A Long-Term Management Endowment Deposit #3 Receipt



Attachment D

Ledgers



Attachment E

Detailed Credit Release Ledger Accounting